

Message Text

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ORIGIN EB-08

INFO OCT-01 AF-10 ARA-14 EUR-12 EA-12 NEA-10 ISO-00
NSCE-00 USIE-00 INRE-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03
LAB-04 NSAE-00 PA-02 CTME-00 AID-05 SS-15 STR-05
ITC-01 TRSE-00 PRS-01 SP-02 SOE-02 OMB-01 DOE-11
IO-14 /149 R

DRAFTED BY EB/OT/STA:C H BLUM:JH
APPROVED BY EB/OT/STA:T O'HERRON
TREAS:T HUME (SUBS)
TREAS:F VUKMANIC (SUBS)
TREAS: P EHRENHAFT
EUR/RPE: E CASEY
STR:R HEIMLICH (SUBS)
STR:T STEWART
L/EB: S BENSON (INFO)
EB/ITP:W BARRACLOUGH
-----041854 301735Z /43

O 301704Z DEC 77
FM SECSTATE WASHDC
TO ALL OECD CAPITALS IMMEDIATE
AMEMBASSY BOGOTA PRIORITY
AMEMBASSY BUCHAREST PRIORITY
AMEMBASSY BUDAPEST PRIORITY
AMEMBASSY BUENOS AIRES PRIORITY
AMEMBASSY BRASILIA PRIORITY
AMEMBASSY CARACAS PRIORITY
AMEMBASSY HELSINKI PRIORITY
AMCONSUL HONG KONG PRIORITY
AMEMBASSY MEXICO PRIORITY
AMEMBASSY MONTEVIDEO PRIORITY
AMEMBASSY MOSCOW PRIORITY
AMEMBASSY NEW DELHI PRIORITY
AMEMBASSY PRAGUE PRIORITY
AMEMBASSY PORT OF SPAIN PRIORITY
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AMEMBASSY PRETORIA PRIORITY
AMEMBASSY SEOUL PRIORITY
AMEMBASSY SANTO DOMINGO PRIORITY
AMEMBASSY TAIPEI PRIORITY
AMEMBASSY TEL AVIV PRIORITY
AMEMBASSY VALLETTA PRIORITY
AMEMBASSY WARSAW PRIORITY
AMEMBASSY WELLINGTON PRIORITY

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WARSAW PLEASE PASS UNDER SECRETARY COOPER; USEEC ALSO FOR

E.O. 11652:N/A

TAGS: ETRD, US

SUBJECT: ANTIDUMPING -- PROPOSED REGULATIONS FOR TRIGGER
PRICE CUSTOMS FORM

REF: STATE 292528 AND PREVIOUS

EMBASSY; US MISSION ALSO FOR USMTN; USOECD ALSO FOR EMBASSY

1. TREASURY DEPARTMENT WILL PUBLISH IN FEDERAL REGISTER
OF DECEMBER 30 PROPOSED AMENDMENTS TO CUSTOMS REGULATIONS
WHICH WOULD REQUIRE THAT A SPECIAL SUMMARY STEEL INVOICE
(SSSI) BE PRESENTED TO CUSTOMS FOR EACH SHIPMENT OF STEEL
MILL PRODUCTS AS PART OF THE TRIGGER PRICE MECHANISM TO
BE PUT INTO EFFECT BY ABOUT MID-FEBRUARY. NOTICE CONTAINS
A COPY OF THE PROPOSED SSSI FORM AND, AS SUPPLEMENTARY
INFORMATION, A CONCISE DESCRIPTION OF THE TRIGGER PRICE
MECHANISM. ANY COMMENTS ON THE PROPOSED REGULATIONS OR
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FORM MUST BE RECEIVED BY THE COMMISSIONER OF CUSTOMS ON
OR BEFORE JANUARY 27, 1978. COPY OF FEDERAL REGISTER
NOTICE BEING POUCHED.

2. FOLLOWING IS NOTICE'S SUMMARY OF TRIGGER PRICE
MECHANISM. BEGIN TEXT.

BACKGROUND

ACTING UNDER THE AUTHORITY OF SECTION 201(A) OF THE
ANTIDUMPING ACT OF 1921, AS AMENDED (19 U.S.C. 160(A)),
AND SECTION 153.25 OF THE CUSTOMS REGULATIONS, THE
SECRETARY OF THE TREASURY WILL IMPLEMENT A "TRIGGER
PRICE MECHANISM" AS RECOMMENDED TO, AND APPROVED BY, THE
PRESIDENT ON DECEMBER 6, 1977. THE TRIGGER PRICE
MECHANISM ("TPM") WILL CONSIST OF FOUR PARTS: (1) THE
ESTABLISHMENT OF TRIGGER PRICES FOR STEEL MILL PRODUCTS
IMPORTED INTO THE UNITED STATES; (2) ADOPTION OF A NEW
SPECIAL SUMMARY STEEL INVOICE ("SSSI") APPLICABLE TO
IMPORTS OF ALL STEEL MILL PRODUCTS; (3) THE CONTINUOUS
COLLECTION AND ANALYSIS OF DATA CONCERNING (A) THE COST
OF PRODUCTION AND PRICES OF STEEL MILL PRODUCTS IN THE
COUNTRIES THAT ARE THE PRINCIPAL EXPORTERS OF SUCH
PRODUCTS TO THE UNITED STATES, AND (B) THE CONDITION OF
THE DOMESTIC STEEL INDUSTRY; AND (4) WHERE APPROPRIATE,
THE EXPEDITED INITIATION AND DISPOSITION OF PROCEEDINGS
UNDER THE ANTIDUMPING ACT OF 1921 WITH RESPECT TO IMPORTS

BELOW THE TRIGGER PRICES.

(1) ESTABLISHMENT OF TRIGGER PRICES

THE SECRETARY OF THE TREASURY INTENDS TO PUBLISH SHORTLY "TRIGGER PRICES" FOR THE STEEL MILL PRODUCTS SO IDENTIFIED BY THE AMERICAN IRON AND STEEL INSTITUTE (AISI) THAT ARE IMPORTED IN SIGNIFICANT QUANTITIES. EACH SUCH "TRIGGER PRICE" WILL BE CALCULATED FROM THE BEST EVIDENCE
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AVAILABLE CONCERNING THE COST OF PRODUCTION OF THAT PRODUCT BY THE INDUSTRY CONSIDERED TO BE THE WORLD'S MOST EFFICIENT. AT THIS TIME, THIS HAS BEEN DETERMINED TO BE THE JAPANESE STEEL INDUSTRY. INITIAL TRIGGER PRICES ARE NOW BEING DEVELOPED FROM INFORMATION COLLECTED FROM THE SIX LARGEST AND SOME NON-INTEGRATED SMALLER PRODUCERS, AND MADE AVAILABLE TO THE TREASURY DEPARTMENT BY THE JAPANESE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY. SUCH DATA HAS BEEN ADJUSTED TO REFLECT YIELDS OF PRODUCTION AND CAPACITY UTILIZATION OVER THE AVERAGE BUSINESS CYCLES OF THREE YEARS. THE ESTABLISHMENT OF A TRIGGER PRICE FOR ANY PARTICULAR STEEL MILL PRODUCT IS NOT INTENDED TO SUGGEST THAT THE COST OF PRODUCTION OF SUCH PRODUCT MAY NOT BE HIGHER OR LOWER IN THE CASE OF ANY PARTICULAR EXPORTING COMPANY.

THE SECRETARY WILL ALSO PUBLISH A COMPLETE SET OF TRIGGER PRICES FOR THE "EXTRAS" USUAL IN THE STEEL TRADE, APPLICABLE TO THE STEEL MILL PRODUCTS FOR WHICH BASE PRICES ARE FIXED. (TRIGGER PRICES FOR ALLOY AND WIRE PRODUCTS WILL BE ANNOUNCED SHORTLY.) FOR THE PURPOSES OF THE TRIGGER PRICE MECHANISM, STAINLESS STEEL PRODUCTS, PRESENTLY SUBJECT TO IMPORT RESTRAINTS, WILL BE EXCLUDED FROM THE TPM, AS WILL OTHER SPECIALTY STEEL PRODUCTS WHICH HAVE NOT ENTERED THE UNITED STATES IN SIGNIFICANT QUANTITIES IN THE RECENT PAST, EVEN IF CATEGORIZED AS "STEEL MILL PRODUCTS." SIMILARLY, FABRICATED ARTICLES AND OTHER ITEMS NOT PRESENTLY INCLUDED AS "STEEL MILL PRODUCTS" BY THE AISI WILL BE EXCLUDED. HOWEVER, CONSIDERATION WILL BE GIVEN TO INCLUDING ADDITIONAL PRODUCTS SHOULD CIRCUMSTANCES WARRANT FOLLOWING THE INITIATION OF THE PROGRAM.

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THE TRIGGER BASE PRICES AND EXTRAS WILL BE REVIEWED QUARTERLY AS MORE CURRENT COST INFORMATION BECOMES AVAILABLE. TRIGGER PRICES WILL BE PUBLISHED SOMETIME IN ADVANCE OF THE CALENDAR QUARTER TO WHICH THEY WILL

APPLY. THE UNIT INVOICE PRICES OF ALL IMPORTS, WHENEVER ENTERED, WILL BE COMPARED WITH THE TRIGGER PRICES IN EFFECT AS OF THE DATE THE SHIPMENT WAS LOADED FOR EXPORT TO UNITED STATES PORTS. THE INITIAL TRIGGER PRICES WILL BE APPLICABLE TO ALL SHIPMENTS BETWEEN THE DATE OF THEIR PUBLICATION THROUGH THE SECOND QUARTER OF 1978. THE APPLICATION OF THE TRIGGER PRICES TO CONTRACTS CONCLUDED BEFORE THE ANNOUNCEMENT OF THE TRIGGER PRICES WILL BE ADDRESSED IN A SUBSEQUENT NOTICE.

FOR PURPOSES OF DETERMINING WHETHER OR NOT TO INITIATE AN INVESTIGATION, THE TOTAL UNIT INVOICE PRICE OF EACH IMPORT WILL BE COMPARED WITH THE AGGREGATE TRIGGER PRICE PLUS ALL EXTRAS FOR THAT PRODUCT. SUCH UNIT INVOICE PRICE, AS WELL AS THE BASE PRICE PLUS EXTRAS, ARE TO BE SHOWN ON THE SSSI. THE FACT THAT ANY PARTICULAR ITEM REFLECTED ON THE SSSI IS NOT AT OR ABOVE THE TRIGGER PRICES ESTABLISHED BY THE SECRETARY WILL NOT, BY ITSELF, RESULT IN ANY ACTION BY THE DEPARTMENT.

(2) USE OF THE SSSI

THIS NOTICE SETS FORTH PROPOSED REGULATIONS PRESCRIBING THE USE OF THE SSSI IN CONNECTION WITH IMPORTS OF ALL STEEL MILL PRODUCTS SUBJECT TO THE TPM. THIS FORM IS MODELED ON THE PRESENT SPECIAL CUSTOMS INVOICE (CUSTOMS FORM 5515), AND IS INTENDED TO PERMIT THE IDENTIFICATION OF BASE PRICES AND ALL EXTRAS. THE PROPOSED REGULATIONS WOULD REQUIRE THAT AN SSSI BE PRESENTED FOR EACH SHIPMENT HAVING AN AGGREGATE PURCHASE PRICE OVER 2,500 DOLLARS AND CONTAINING ANY OF THE STEEL MILL PRODUCTS SUBJECT TO THE TPM.

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A DUPLICATE COPY OF THE SSSI WILL BE FORWARDED IMMEDIATELY UPON RECIPET BY THE CUSTOMS SERVICE TO THE SPECIAL CUSTOMS STEEL TASK FORCE IN WASHINGTON FOR ANALYSIS. FORMS REFLECTING SUBSTANTIAL OR REPEATED SHIPMENTS BELOW TRIGGER PRICES MAY RESULT IN PROMPT INFORMAL INQUIRIES OR SUCH OTHER ACTION AS THE SECRETARY DEEMS APPROPRIATE, AS MORE FULLY DESCRIBED IN (4) BELOW. IT IS ESSENTIAL TO THE OPERATION OF THE MONITORING SYSTEM THAT EXPORTERS FORWARD COMMERCIAL INVOICES AND THE SSSI'S IMMEDIATELY UPON THE EXPORT OF THE PRODUCTS, SO THAT THEY MAY ARRIVE PRIOR TO THE SHIPMENT TO WHICH THEY APPLY. IN ANY CASE, SSSI'S WILL BE REQUIRED AS A CONDITION OF ENTRY. FOR SHIPMENTS WHICH ARE RELEASED FROM CUSTOMS CUSTODY UNDER IMMEDIATE DELIVERY PROCEDURES, IMPORTERS SHOULD BE AWARE THAT IF THEY ARE UNABLE TO PRODUCE THE SSSI, ENTRY MAY NOT BE MADE AND REDELIVERY OF THE MERCHANDISE WOULD BE REQUIRED.

(3) COLLECTION AND ANALYSIS OF DATA

THROUGHOUT THE DURATION OF THE TPM, THE SPECIAL CUSTOMS STEEL TASK FORCE WILL COLLECT INFORMATION CONCERNING THE COSTS OF PRODUCTION AND PRICES IN THE HOME MARKETS (OR QUOTED FOR EXPORT TO THIRD COUNTRIES) BY PRODUCERS IN THE PRINCIPAL STEEL EXPORTING COUNTRIES OF THE WORLD. SUCH DATA WILL BE USED IN THE PERIODIC REVIEW OF TRIGGER PRICES AND IN THE EVALUATION OF CASES IN WHICH SSSI'S REFLECT SALES BELOW TRIGGER PRICES.

IN ADDITION, INFORMATION WILL BE COLLECTED ON A CONTINUOUS BASIS CONCERNING THE CONDITION OF THE UNITED STATES INDUSTRY. DATA WITH RESPECT TO CAPACITY UTILIZA-
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TION, EMPLOYMENT, PROFITABILITY, SHIPMENTS, SHARES OF THE MARKET, AND OTHER INDICIA OF THE ECONOMIC CONDITION OF THE INDUSTRY WILL BE MONITORED TO DETERMINE WHETHER IMPORTS OF STEEL MILL PRODUCTS ARE CAUSING OR THREATENING TO CAUSE INJURY TO THE UNITED STATES INDUSTRY.

(4) INITIATION AND DISPOSITION OF PROCEEDINGS UNDER THE ANTIDUMPING ACT

ALL SSSI'S REFLECTING IMPORTS BELOW THE TRIGGER PRICES APPLICABLE TO THE QUARTER IN WHICH THE SHIPMENT WAS MADE WILL BE EVALUATED BY THE SPECIAL CUSTOMS STEEL TASK FORCE. INFORMAL INQUIRY MAY THEN -- BUT NEED NOT -- BE MADE OF THE IMPORTER TO DETERMINE THE BASIS FOR THE ENTRY BELOW THE TRIGGER PRICE. UNLESS THE SECRETARY IS PROMPTLY SATISFIED, ON THE BASIS OF SUCH INFORMAL INQUIRY, THAT NO REASONABLE POSSIBILITY OF SALES AT LESS THAN FAIR VALUE OF SUCH MERCHANDISE MAY BE FOUND, THE SECRETARY WILL

PROMPTLY PUBLISH AN ANTIDUMPING PROCEEDING NOTICE PURSUANT TO SECTION 153.31(A) OF THE CUSTOMS REGULATIONS. IT IS THE INTENTION OF THE DEPARTMENT OF THE TREASURY TO EXPEDITE A FULL SCALE ANTIDUMPING INVESTIGATION OF SUCH POSSIBLE SALES AT LESS THAN FAIR VALUE, SO THAT A TENTATIVE DETERMINATION AS TO THE BELIEF OR SUSPICION OF THE EXISTENCE OF SUCH SALES AT LESS THAN FAIR VALUE CAN BE MADE WITHIN A PERIOD SUBSTANTIALLY SHORTER THAN THE SIX MONTHS PROVIDED IN SECTION 153.32 OF THE CUSTOMS REGULATIONS. IN APPROPRIATE CASES, THE SECRETARY MAY ALSO ISSUE A "WITHHOLDING OF APPRAISEMENT NOTICE" PROVIDING FOR THE RETROACTIVE WITHHOLDING OF APPRAISEMENT PURSUANT TO SECTION 153.35(D) OF THE CUSTOMS REGULATIONS. IN ALL OTHER RESPECTS, FOREIGN EXPORTERS, IMPORTERS AND THE AFFECTED UNITED STATES INDUSTRY WILL RETAIN ANY AND ALL RIGHTS OTHERWISE AVAILABLE UNDER THE ANTIDUMPING ACT AND ITS IMPLEMENTING REGULATIONS. END TEXT.

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3. IN ADDITION TO INFORMATION NORMALLY REQUIRED BY CUSTOMS, PROPOSED SSSI WOULD INCLUDE:

-- THE DATE PRICE TERMS WERE AGREED UPON (THE DATE OF AGREEMENT ON THE FINAL SALES PRICE FOR THE SHIPMENT);

-- THE DATE OF EXPORTATION;

-- BASE PRICE (THE BASE PRICE FOR EACH STEEL CATEGORY ON WHICH THE TOTAL SALES PRICE WAS BASED);

-- AMERICAN IRON AND STEEL INSTITUTE (AISI) CATEGORY; AND

-- DESCRIPTION AND COST OF EXTRAS (A DESCRIPTION OF, AND THE ADDITIONAL PRICE CHARGED FOR, EXTRAS, OTHER THAN WIDTH AND LENGTH, WITH THE EXTRAS DESCRIBED IN TERMS UNDERSTOOD IN THE U.S. MARKET).

4. ACTION REQUESTED:

UPON RECEIPT OF FEDERAL REGISTER NOTICE, POSTS SHOULD TRANSMIT IT TO APPROPRIATE HOST COUNTRY OFFICIALS. POSTS MAY ALSO USE INFORMATION IN PARAS 1, 2 AND 3 AS THEY DEEM APPROPRIATE TO INFORM INTERESTED PARTIES. IN SO DOING, POSTS SHOULD EMPHASIZE THAT NEW REGULATIONS ARE MERELY PROPOSALS AND ARE SUBJECT TO CHANGE BEFORE FINAL PUBLICATION. AS FEDERAL REGISTER NOTICE ITSELF POINTS OUT, THERE ARE A NUMBER OF TENTATIVE ASPECTS TO TRIGGER PRICE MECHANISM AND SEVERAL QUESTIONS MUST BE RESOLVED

BEFORE THE PROGRAM CAN BE FULLY IMPLEMENTED. WE WOULD WELCOME ANY COMMENTS OR QUESTIONS FROM HOST COUNTRY
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OFFICIALS AS WELL AS FROM POSTS THEMSELVES ON ANY ASPECT OF TRIGGER PRICE PROGRAM. TRIGGER PRICES THEMSELVES ARE EXPECTED TO BE ANNOUNCED IN SEVERAL INSTALLMENTS BEGINNING JANUARY 3.

5. FOR GENEVA: MISSION SHOULD SUBMIT ENTIRE FEDERAL REGISTER NOTICE TO GATT SECRETARIAT FOR CIRCULATION TO THE CONTRACTING PARTIES IN ACCORDANCE WITH ARTICLE 15 OF THE ANTIDUMPING CODE. WE WILL ALSO ASK MISSION TO SUBMIT FINAL NOTICE AND TRIGGER PRICE LIST WHEN THEY ARE AVAILABLE.

6. FOR USOECD: MISSION SHOULD REQUEST OECD SECRETARIAT TO CIRCULATE DESCRIPTION CONTAINED IN PARA 1, 2 AND 3 FOR

INFORMATION OF MEMBER DELEGATIONS. WE WILL ASK MISSION
TO FOLLOW SAME PROCEDURE WHEN FINAL NOTICE AND TRIGGER
PRICE LIST BECOME AVAILABLE. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 22-Sep-1999 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
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Enclosure: n/a
Executive Order: N/A
Errors: n/a
Expiration:
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From: STATE
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Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 120020
Secure: OPEN
Status: NATIVE
Subject: ANTIDUMPING -- PROPOSED REGULATIONS FOR TRIGGER
TAGS: ETRD, US
To: ALL OECD CAPITALS BOGOTA MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/41f75dfc-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009